

*Unaudited Condensed Interim Consolidated Financial Statements*

**eXeBlock Technology Corporation**

**For the quarters ended November 30, 2024 and 2023**

*(Expressed in Canadian Dollars)*

January 28, 2025

## **Management's Responsibility for Financial Reporting**

The accompanying unaudited condensed interim consolidated financial statements of **eXeBlock Technology Corporation** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) "*Ian Klassen*"

President and Chief Executive Officer  
Vancouver, British Columbia

(signed) "*Robert Randall*"

Chief Financial Officer  
Halifax, Nova Scotia

**eXeBlock Technology Corporation****Unaudited Condensed Interim Consolidated Statements of Financial Position**

As at November 30, 2024 and August 31, 2024

*Expressed in Canadian dollars*

	<b>November 30, 2024 \$</b>	<b>August 31, 2024 \$</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	<b>322,195</b>	353,445
Sales taxes recoverable	<b>10,909</b>	8,375
	<b>333,104</b>	361,820
Investment (note 4)	<b>192,500</b>	192,500
<b>Total assets</b>	<b>525,604</b>	554,320
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	<b>75,621</b>	67,626
<b>Equity</b>		
Common stock (note 5)	<b>6,898,973</b>	6,898,973
Deficit	<b>(6,448,990)</b>	(6,412,279)
Deficit	<b>449,983</b>	486,694
<b>Total liabilities and equity</b>	<b>525,604</b>	554,320

Nature of operations and going concern (note 1)

Commitments and contingencies (note 9)

Subsequent events (note 10)

Approved on behalf of the Board of Directors on January 28, 2025.

"Paul Thomson"

Paul Thomson, Director

"Ian Klassen"

Ian Klassen, Director

*The accompanying notes are an integral part of these consolidated financial statements.*

**eXeBlock Technology Corporation****Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

	<b>Three months ended November 30, 2024 \$</b>	<b>Three months ended November 30, 2023 \$</b>
<b>Expenses</b>		
Professional and consulting fees (note 9)	<b>28,992</b>	33,338
Rent and administrative costs (note 9)	<b>7,895</b>	7,868
Securities and regulatory fees	<b>3,150</b>	3,900
<b>Loss before interest income and income taxes</b>	<b>40,037</b>	45,106
Interest income	<b>3,325</b>	5,168
<b>Net and comprehensive loss for the year</b>	<b>36,712</b>	39,938
Loss per share – basic and diluted	<b>0.001</b>	0.001
Weighted-average number of common shares outstanding	<b>53,539,031</b>	53,539,031

*The accompanying notes are an integral part of these consolidated financial statements.*

**eXeBlock Technology Corporation**  
**Unaudited Interim Consolidated Statements of Changes in Equity**  
For the periods ended November 30, 2024 and 2023  
*Expressed in Canadian dollars*

	<b>Number of Common Shares</b>	<b>Common Shares (note 5)</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, August 31, 2023</b>	<b>53,539,031</b>	<b>6,898,973</b>	<b>-</b>	<b>(6,262,392)</b>	<b>636,581</b>
Net loss for the period	-	-	-	(39,938)	(39,938)
<b>Balance, November 30, 2023</b>	<b>53,539,031</b>	<b>6,898,973</b>	<b>-</b>	<b>(6,302,330)</b>	<b>596,643</b>
Net loss for the period	-	-	-	(109,949)	(109,949)
<b>Balance, August 31, 2024</b>	<b>53,539,031</b>	<b>6,898,973</b>	<b>-</b>	<b>(6,412,279)</b>	<b>486,694</b>
Net loss for the period	-	-	-	(36,712)	(36,712)
<b>Balance, November 30, 2024</b>	<b>53,539,031</b>	<b>6,898,973</b>	<b>-</b>	<b>(6,448,990)</b>	<b>449,983</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**eXeBlock Technology Corporation****Unaudited Condensed Interim Consolidated Statements of Cash Flows**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

	<b>Three months ended November 30, 2024 \$</b>	<b>Three months ended November 30, 2023 \$</b>
<b>Operating activities</b>		
Net loss for the period	<b>(36,712)</b>	<b>(39,938)</b>
Changes in non-cash working capital		
Increase in sales tax recoverable	<b>(2,533)</b>	<b>(4,219)</b>
Increase in accounts payable and accrued liabilities	<b>7,995</b>	<b>5,786</b>
<b>Net cash used in operating activities</b>	<b>(31,250)</b>	<b>(38,371)</b>
Decrease in cash and cash equivalents during the period	<b>(31,250)</b>	<b>(38,371)</b>
Cash and cash equivalents, beginning of period	<b>353,445</b>	<b>505,696</b>
Cash and cash equivalents, end of period	<b>322,195</b>	<b>467,325</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# **eXeBlock Technology Corporation**

## **Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

eXeBlock Technology Corporation (formerly 1040433 B.C. Ltd.) (the “Company”), was incorporated pursuant to the British Columbia Business Corporations Act on June 19, 2015. On August 18, 2017, the Company and eXeBlock Technology Inc. (“eXeBlock Inc.”) entered a Share Exchange Agreement (the “SEA”) under which the transaction was completed and the Company effected a change in directors, management and business. eXeBlock Inc., which was federally incorporated pursuant to the Canada Business Corporations Act on July 11, 2017, was deemed to be the continuing entity for financial reporting purposes and therefore its historical operations, assets and liabilities are included.

With the termination of the Company’s merger agreement with Nodalblock Canada Holdings Inc. (“Nodalblock”), the CSE has determined that the Issuer has not met the continued listing requirements as set out in CSE Policy and deemed the Company to be inactive. Pursuant to CSE Policy, the Company may not rely on confidential price protection, nor may the Company complete any financing without prior CSE approval. An “.X” extension is added to the listed securities of the Company.

The Company’s corporate office address is suite 1050, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7 and its registered office is located at Suite 3200, 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The Company’s administrative office is located at Suite 2001, 1969 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3R7.

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the period ended November 30, 2024, the Company incurred net loss of \$36,712 (year ended August 31, 2024 – \$149,887).

The Company has no revenue from operations. The Company must manage its working capital requirements to maintain sufficient funding to identify and evaluate new business opportunities and fund its general operating costs. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company’s ability to continue as a going concern is dependent upon its ability to fund its working capital and operating requirements and eventually to generate positive cash flows from operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

## **eXeBlock Technology Corporation**

### **Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

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## **2. BASIS OF PRESENTATION**

### *Basis of presentation*

These consolidated financial statements have been prepared under a historical cost basis. All amounts are expressed in Canadian dollars, the Company's functional currency, unless otherwise noted.

### *Basis of consolidation*

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements include assets, liabilities and results of operations of the Company, including its wholly owned subsidiary eXeBlock Technology Inc. a Canadian corporation. The Company consolidates the wholly owned subsidiary on the basis that it controls the subsidiary through its ability to govern their financial and operating policies. All intercompany transactions and balances have been eliminated on consolidation of the accounts.

## **3. ACCOUNTING POLICIES**

### **Statement of compliance**

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Board of Directors approved these consolidated financial statements for issue on January 28, 2025.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2024.

The policies applied in these unaudited condensed interim financial statements are based on the IFRS as of January 28, 2025, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's financial statements for the year ended August 31, 2025 could result in the restatement of these unaudited condensed interim financial statements.

These unaudited condensed interim consolidated financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of eXeBlock Technology Corporation for the year ended August 31, 2024. Refer to note 2, *Accounting Policies*, of the annual financial statements of eXeBlock Technology Corporation for the year ended August 31, 2024 for information on the accounting policies as well as new accounting standards not yet effective.



**eXeBlock Technology Corporation****Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

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**4. INVESTMENT****Termination of Agreement to acquire Nodalblock Canada Holdings Inc.**

On August 18, 2022, the Company agreed with Nodalblock Canada Holdings Inc. ("Nodalblock") to mutually terminate their proposed amalgamation, originally announced on December 7, 2020.

In consideration of the early termination of the merger agreement, Nodalblock issued to the Company 350,000 common shares. The Company has recorded these shares at \$0.55 per share, the issue price of the last arms-length financing completed by Nodalblock, resulting in a fair value of \$192,500 for the Company's investment in its shares of Nodalblock.

**5. SHARE CAPITAL****a) Common shares**

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

**b) Stock based compensation**

The Company has a stock option plan, a restricted share unit plan and a deferred share unit plan (collectively the "Plans") for directors, officers, employees and consultants of the Company. The Board of Directors have the authority to issue up to 10% of the issued and outstanding common shares of the Company under the Plans. The options can have up to a ten-year life and the vesting period is set by the Board of Directors. Options are granted at a price no lower than the market price of the common shares on the date issued. The performance criteria and performance period of the restricted share units are determined by the Board of Directors. Any deferred share units shall be granted on terms determined by the Board of Directors in accordance with the deferred share unit plan.

The estimated fair value of options recognized is estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options.

There was no stock based compensation issued during the period ended November 30, 2024 and years August 31, 2024 and 2023. There are no options, restricted share units or deferred share units outstanding as at November 30, 2024 and August 31, 2024.

**c) Warrants**

There are no warrants outstanding as at November 30, 2024 and August 31, 2024 and 2023.

Warrant pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models may not necessarily provide a reliable estimate of the fair value of the Company's warrants.

**eXeBlock Technology Corporation****Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars***6. INCOME TAXES**

The provision for income taxes reported differs from the amounts computed by applying the applicable income tax rates to the net loss before tax provision due to the following:

	<b>Year ended August 31, 2024</b>	<b>Year Ended August 31, 2023</b>
	\$	\$
Loss before income taxes	(149,887)	(223,034)
Statutory rate	29%	27%
Tax recovery at statutory rate	(43,467)	(60,219)
Tax recovery on losses and deductible temporary differences not recognized in the current year	43,467	60,219
Income tax recovery	-	-

At August 31, 2024, the Company has unused non-capital losses in Canada of \$6,850,000 available for carry-forward purposes for which no deferred tax asset has been recognized (2023 - \$6,700,000). These unused non-capital losses will expire from 2036 to 2044.

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
	\$	\$
Tax losses	6,850,000	6,700,000

**7. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the period ended November 30, 2024, the Company incurred consultancy fees of \$3,000 (year ended August 31, 2024 - \$12,000) from a related party, Numus Financial Inc. ("Numus"), a company which provided services under a consultancy agreement for a fee of \$1,000 per month which continues until both Numus and the Company mutually agree to terminate. Numus and its principals are significant shareholders of the Company. Additionally, if the agreement with Numus is cancelled by the Company, a break fee of eighteen months of remuneration, being \$18,000, will be payable to Numus, along with the service fees applicable for the 90 day notice period.

The agreement also provides for the rental of office space and general office services for \$2,550 per month. The Company incurred office rental charges of \$7,650 from Numus for the period ended November 30, 2024 (year ended August 31, 2024 - \$30,600). If the office space and general office services agreement is cancelled by the Company without notice, a break fee of six months of remuneration, being \$15,300, will be payable to Numus.

In addition, Numus shall have a first right of refusal to act as an advisor on an eXeBlock transaction for a fee of 1.25% of the value of the transaction, and Numus, or its subsidiary, shall have a first right of refusal to act as an agent on all financings conducted by the Company.

**eXeBlock Technology Corporation****Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

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**7. RELATED PARTY TRANSACTIONS (continued)**

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). The Company also incurred consulting fees to certain directors and officers. The following table summarizes the key management compensation and related party expenses incurred during the periods ended November 30, 2024 and 2023:

Related party	Period ended November 30, 2024	Period ended November 30, 2023
	\$	\$
IMK Management Inc. – for services of Ian Klassen, CEO	15,000	15,000
Randall Consulting Inc. – for services of Rob Randall, CFO and Corporate Secretary	3,000	10,838

As at November 30 2024, the amount payable to related parties was \$37,733 (August 31, 2024 - \$41,897).

**8. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****a) Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in equity. The Company has capital resources of cash and cash equivalents and are not subject to external capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditure, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

**b) Fair Values of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents and accounts payable approximate their fair values based on the short-term maturities of these financial instruments.

**c) Financial Risk Management Objectives**

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, and interest rate risk. Where material, these risks are reviewed and monitored.

**d) Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. Cash and cash equivalents are held with a reputable bank in Canada. The long-term credit rating of this bank, as determined by Standard and Poor’s, was A+.

**eXeBlock Technology Corporation****Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

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**8. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)****e) Liquidity Risk**

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to note 1 for additional details related to the ability of the Company to continue as a going concern.

The Company will need to pursue financing alternatives. There can be no assurance that additional future financing will be available on acceptable terms or at all. If the Company is unable to obtain additional financing when required, the Company may have to substantially reduce or eliminate planned expenditure.

Accounts payable are paid in the normal course of business generally according to their payment terms. In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities as at November 30, 2024:

	<b>Within 1 year</b>	<b>2-3 years</b>	<b>4-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Accounts payable	75,621	-	-	-	75,621

**f) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

**g) Fair Value Measurements Recognized in the Statement of Financial Position**

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At November 30, 2024 the Company had no financial instruments that were measured and recognized on the consolidated statements of financial position at fair value other than cash and cash equivalents, which is classified at level 1 and investment, which is classified at level 2. In addition, there were no transfers between levels during the period. To determine the fair values of the Level 2 investments as at November 30, 2024 the Company uses the private placement financing technique. This method relies on the input of the price per share of the last capital raise of the investee. A change of 10% +/- to the input price would result in a fair value change of investment of \$19,250.

**9. COMMITMENTS AND CONTINGENCIES**

The Company has a consultancy agreement with Numus for the provision of management and accounting services and office rent at a fee of \$3,550 per month, continuing until both parties mutually agree to terminate. The agreement with Numus is subject to break fees, and a first right of refusal on advisory services, as described in Note 7.

**eXeBlock Technology Corporation****Notes to Unaudited Condensed Interim Consolidated Financial Statements**

For the periods ended November 30, 2024 and 2023

*Expressed in Canadian dollars*

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**10. SUBSEQUENT EVENTS**

Subsequent to November 30, 2024, the Company completed a private placement financing to raise \$550,000 (the “Financing”) by the issuance of 22,000,000 units of eXeBlock (each, a “Unit”) at \$0.025 per Unit (the “Offering Price”). Each Unit consists of one Common Share of eXeBlock (a “Common Share”) and one non-transferable Common Share purchase warrant (the “Warrant”). Each Warrant will be exercisable to purchase one additional Common Share of at a price of \$0.06 per share for a period of 24 months from the closing date of the Financing (the “Closing Date”).

Numus Capital Corp. (the “Agent”) acted as exclusive agent for the Financing. In connection with the private placement, eXeBlock paid the Agent cash commissions of \$28,980 and issued 1,159,200 non-transferable share purchase warrants (the “Agent Warrants”). Each Agent Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.06 for a period of 24 months from the closing date until January 7, 2027. The Agent is registered as an Exempt Market Dealer and deals with eXeBlock on a non-arm's length basis, an insider of eXeBlock being indirectly a principal shareholder as well as a director and officer of the Agent.